

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 2213

IN THE MATTER OF:

Served April 13, 1981

Investigation of INTERSTATE )  
TAXICAB RATES for Service within )  
the Metropolitan District )

Case No. MP-81-01

Background

By Order No. 2192, served January 30, 1981, and incorporated by reference herein, the Commission, on its own motion, instituted an investigation of the interstate taxicab rates for taxicabs licensed and regulated by the District of Columbia Public Service Commission and of the extra-passenger charge for all interstate taxicab service within the Metropolitan District. The Commission directed that notice be published in a newspaper of general circulation in the Metropolitan District, and this was done on February 5, 1981. Both the order and the newspaper notice invited interested persons to file written proposals, views or statements by February 27, 1981.

Staff's Proposal

The Commission staff proposed a schedule of interstate taxicab rates <sup>1/</sup> which recommended two changes to the basic mileage-rate structure for District of Columbia taxicabs. Rather than the existing rate of \$1.10 for the first half-mile plus 40¢ for each additional half-mile, the staff proposed a rate of \$1.50 for the first mile plus 45¢ for each additional half-mile. Finally, while not proposing any change in the existing 75¢ extra-passenger charge, the staff recommended the following changed language governing the charge for transporting small children:

75¢ Each additional passenger (provided, however, that one child of six (6) years of age shall be transported without charge for each individual of at least sixteen (16) years of age in a pre-formed party.)

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<sup>1/</sup> Complete proposed schedule of rates set forth as Appendix to Order No. 2192.

The staff proposes that this new language apply to all interstate taxicab service within the Metropolitan District because the language it seeks to change applies to all such service.

The Commission received responses from three parties: Mr. Irving Schlaifer, Air Transit, Inc., and the District of Columbia Department of Transportation. These responses are summarized below.

Mr. Irving Schlaifer

Mr. Schlaifer, an independent owner-operator licensed in the District of Columbia, recommends two different rate structures, his first choice being the higher, as follows:

\$1.10 - 1.00 for the first mile plus 90¢ - 80¢ pickup surcharge.  
55¢ - 50¢ for each additional half-mile.  
\$1.00 - 75¢ for each additional passenger (provided that only one (1) child under six (6) years of age shall be transported without charge in a pre-formed party).  
\$1.00 - 65¢ rush hour surcharge 4 p.m. - 6:30 p.m. Monday thru Friday.  
30¢ per minute waiting time, etc.

Mr. Schlaifer points out that this Commission "has yet to approve the D. C. rush hour surcharge of 65¢," and asserts that the "surcharge serves a very useful purpose," "is needed even more on the interstate taxi trips," and is "not . . . excessive."

Mr. Schlaifer asserts that the "cost of our operation has reached the point that it is no longer profitable to continually accept passengers for interstate trips," and provides copies of articles from various newspapers concerning the increasing cost of gasoline.

Finally, Mr. Schlaifer re-asserts certain positions taken in a letter of October 26, 1979:

1.) Mr. Schlaifer states, "The hourly rate should be one that is negotiated between the cab driver and the cab passenger and should be mutually agreeable."

2.) Mr. Schlaifer again urges adoption of the 65¢ rush hour surcharge for interstate trips.

3.) Mr. Schlaifer urges that rates be established on the basis of "the total taxi fare, or, the total time fare of 30¢ per minute, whichever shall be greater on all interstate trips."

4.) Mr. Schlaifer asserts that 85 percent of the taxicabs operated in the Metropolitan District are registered in D. C., that their rates should not be "unfairly compared to the remaining 15%," and that "the overwhelming majority should rule."

#### Air Transit, Inc.

Air Transit petitions the Commission to modify the rates proposed in Order No. 2192 to accommodate the meters used in its interstate operations between Dulles International Airport and points in the Metropolitan District. Since this involves considerations additional to those otherwise considered in this case, we shall follow our past practice of treating Air Transit in a separate order. See Order No. 2214, issued this same date.

#### District of Columbia Department of Transportation (D. C. DOT)

D. C. DOT, on behalf of the Mayor, supports the interstate rates proposed in Order No. 2192. It points out that the D. C. Public Service Commission, by its Order No. 7230 of December 17, 1980, granted an interim increase of 10¢ per taxicab trip for the intrastate operation of D. C. taxicabs in response to increased gasoline prices pending conclusion of its rate study in Formal Case No. 746.

D. C. DOT recommends, however, that this Commission adopt, for the sake of consistency, the rules already in effect for the intrastate operation of D. C. taxicabs governing the transportation of small children. See discussion beginning at page 6, infra.

#### Comparison of Fares

Tables setting forth the current mileage rates for local jurisdictions were included in Order No. 2192 and need not be reproduced herein. Suffice it to say that the average first-mile rate for interstate taxicab service was \$1.57, and the average rate for subsequent miles was 87¢, while both the modal (most frequently occurring) and median (middle) rates were \$1.50 for the first mile and 90¢ for each subsequent mile.

In the table below, existing interstate taxicab rates have been converted to single-passenger fares for trips of 5, 10, and 15 miles. In addition, they are arranged in order of magnitude, and the fares resulting from the rates proposed by the staff and by Mr. Schlaifer have been included.

	<u>5 Miles</u>	<u>10 Miles</u>	<u>15 Miles</u>
Schaifer I 2/	\$6.40	\$11.90	\$17.40
Schlaifer II 2/	5.80	10.80	15.80
Alexandria	5.30	9.80	14.30
Arlington	5.30	9.80	14.30
D. C. (Staff)	5.10	9.60	14.10
Fairfax - Falls Church	5.10	9.60	14.10
Montgomery	5.10	9.60	14.10
D. C. (Current)	4.70	8.70	12.70
Prince George's	4.70	8.70	12.70

Both rate structures proposed by Mr. Schlaifer result in fares higher than any currently in effect in the area, and the Commission concludes that the desired comparability cannot be achieved with either of these rates. Averaging the remaining fares (exclusive of the current fares for D. C. taxicabs and the fares proposed by the staff, because those are at issue here) yields fares of \$5.10, \$9.50, and \$13.90 for trips of 5, 10, and 15 miles, respectively. By this analysis, the fares proposed by the staff are average at 5 miles, 10¢ higher at 10 miles, and 20¢ higher at 15 miles. However, we note that the fares proposed by the staff are exactly the median value in this analysis, \$5.10 at 5 miles, \$9.60 at 10 miles, and \$14.10 at 15 miles.

#### Discussion of Comments and Proposals

We now turn to a discussion of interstate rate elements (other than mileage, addressed above) advanced by Mr. Schlaifer. First, Mr. Schlaifer proposes a "pickup charge" of 80¢ to 90¢ in addition to a charge of \$1 to \$1.10 for the first mile, resulting in a minimum "first drop" charge of \$1.80 to \$2. All interstate fares currently in effect in the Metropolitan District already include a "pickup charge" which results in the first increment charge in excess of subsequent charges. However, the "first drop" charge proposed by Mr. Schlaifer is in excess of even the highest such charge currently in effect, \$1.70. Mr. Schlaifer provides no rationale for this proposal, and we see no reason to adopt it. We note in passing that the staff proposes to change the current "first-drop" from \$1.10 for the first half-mile to \$1.50 for the first mile, although interstate taxicab trips of less than one-half mile must be very few, indeed. However, should they occur, we note that the minimum charge under the staff's proposal would increase by 40¢. We do not consider a minimum charge of \$1.50 for taxicab service to be inherently excessive or unreasonable.

In his higher proposal, Mr. Schlaifer recommends an extra-passenger charge of \$1 for persons travelling together in a pre-formed party. This does not compare favorably with current

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2/ Exclusive of proposed rush-hour surcharge, and exclusive of proposed 30¢ per minute charge.

extra-passenger charges in the Metropolitan District. The highest such charge now in effect is 80¢, slightly higher than the 75¢ rate which we adopted in our Order No. 2068, served December 6, 1979. Again, Mr. Schlaifer advances no rationale for this proposal, and our own analysis reveals no reasonable basis upon which to adopt it.

Mr. Schlaifer urges imposition of a rush-hour surcharge of 65¢ to \$1 from 4 p.m. to 6:30 p.m., Monday through Friday. In support of this proposal, Mr. Schlaifer again advances arguments already rejected in Order No. 2067, served December 6, 1979, as follows:

We will not impose an afternoon rush-hour surcharge. Although it may be true that many interstate trips performed during that time span involve some section of the District of Columbia, with attendant traffic problems, the Commission cannot ignore the fact that interstate trips typically generate greater fares than are realized for intra-D. C. trips. The rush-hour surcharge, which is really an incentive for D. C. taxicabs to operate during peak traffic hours, would be counter productive and over-compensatory if added to other interstate rates, inasmuch as drivers would be likely to give undue preference to interstate fares at the expense of intra-D. C. passengers for whose benefit the surcharge was initially instituted.

We find that our discussion in that order still obtains, and we are not convinced to change our position.

With respect to the currently-authorized hourly rate of \$9 for the first hour or fraction, plus \$2.25 for each additional 15 minutes or fraction thereof, Mr. Schlaifer proposes that this be abandoned in favor of any rate negotiated between the driver and the passenger(s). He points to limousine rates of \$20 - 25 per hour with a minimum of \$75. Such rates are out of line with current hourly taxicab rates in the Metropolitan District which range from \$8 to \$10 per hour. Further, we find that the currently prescribed interstate hourly rate of \$9 for D. C. taxicabs is just and reasonable and compares favorably with local rates for such service, the average, median, and mode of which are \$9. Accordingly, we decline to change that rate.

Mr. Schlaifer urges adoption of the higher of the applicable mileage rate or 30¢ per minute. In apparent support of this proposal, Mr. Schlaifer points out that the meters uniformly used by all local jurisdictions other than the District of Columbia employ a fare computation based on both time and mileage. However, in the same pleading, Mr. Schlaifer asserts that "the taximeter is the legal right to steal." While we do not agree with Mr. Schlaifer's characterization of taximeters, we are hard put in light of it to understand the basis for his argument to employ essentially the same system in D. C. taxicabs. Mr. Schlaifer further points out that "the taxi fare to

Dulles International Airport in Virginia from downtown Washington, D. C., is approximately 30 miles and the (mileage) cost would be approximately \$25. This trip can be completed in 40 minutes. At 30¢ per minute, it would only be \$12. I have never taken over 60 minutes to get to Dulles and at 30¢ per minute, it would only be \$18." Given the fact that Mr. Schlaifer's proposal is to charge the higher of the two fares, we fail again to perceive the thrust of Mr. Schlaifer's argument.

Asserting that 85 percent of the taxicabs operating in the Metropolitan District are registered in D. C. and that their rates should not be "unfairly compared" to the remaining 15 percent, Mr. Schlaifer argues that "the overwhelming majority should rule." Here Mr. Schlaifer lets the argument drop, whereas it seems to us that a necessary adjunct to any argument that the tail is wagging the dog would be a showing that the operating characteristics of the smaller group are such that comparable rates, if applied to the larger group, somehow result in unfair treatment of the larger group because their operating characteristics are significantly different. Our examination indicates that this is not the case and that the operating characteristics of all interstate taxicabs operating within the Metropolitan District are substantially similar. Further, we are guided by the precept that the rates we prescribe for such service should be just, reasonable, and neither unduly preferential nor unduly discriminatory either between riders or sections of the Metropolitan District.

#### Transportation of Small Children

Finally, we turn to Mr. Schlaifer's proposal "that only one (1) child under six (6) years of age shall be transported without charge in a pre-formed party." We shall also include in this discussion the suggestion by D. C. DOT

that the local rule adopted by the District of Columbia Public Service Commission under Title 14, Section 305.2(d), D. C. Rules and Regulations, shall govern the transportation of small children for the interstate operations of District of Columbia taxicabs.

The regulation to which D. C. DOT refers is as follows:

#### EXISTING D. C. REGULATION

As used in this section, the word "passenger" shall not include a child five years of age or younger accompanied by an older person. Such child may occupy a seat in the taxicab, unless the seat is needed to seat other passengers up to the

designed capacity of the taxicab. At such time the child shall be carried in the arms of the accompanying older person. More than one child of five years of age or younger may be carried without charge: Provided, That each is accompanied by an older person capable of carrying the child in his arms."

The existing WMATC language, applying to all interstate taxicab trips in the Metropolitan District, was adopted in our Order No. 2080, served January 29, 1980, as follows:

#### EXISTING WMATC REGULATION

That the rate for interstate taxicab transportation of extra passengers (over one) in a pre-formed group between points in the Metropolitan District is hereby prescribed to be 75 cents except that each child under 6 years of age shall be transported without charge when traveling with a farepaying passenger.

By the time we issued Order No. 2192 instituting this investigation, we had had a year's experience with the new language. As to the basic 75¢ extra-passenger rate, we noted that this rate is consistent with intrastate party rates in the local jurisdictions which vary from 50¢ to 80¢ with similar exceptions for children. However, the staff had indicated that its experience over the past year showed potentially ambiguous interpretation of the above-quoted language, and it proposed the following language "to achieve a reasonable result without ambiguity:"

#### STAFF-PROPOSED WMATC REGULATION

- .75 Each additional passenger (provided, however, that one child under six (6) years of age shall be transported without charge for each individual of at least sixteen (16) years of age in a pre-formed party.)

So we have before us the existing language and three proposals. First, as regards Mr. Schlaifer's proposal, we find that it offers clear and unambiguous language. However, we find that it does not comport with the sense of the existing D. C. regulation or either the existing or proposed WMATC regulations in that it seeks, without further explanation or justification, to limit to one the number of children transported without charge, under any circumstances. We conclude that this result is not warranted in light of our purpose, as declared in Order No. 2080, "to promote greater use of taxicabs by families and . . . also promote the uniformity between interstate and

intra-jurisdictional rates which has been a goal of this Commission . . . ."

Certainly, the proposal of the D. C. DOT to adopt the existing D. C. regulation would seem to offer us an opportunity to promote that uniformity. However, in examining the D. C. regulation we find that any child five years of age or younger may be transported without charge when accompanied by an "older person". Further, such older person must be "capable of carrying the child in his arms" because he is required to do so if the child's seat "is needed to seat other passengers up to the designed seating capacity of the taxicab." More than one child may be thus transported without charge.

To take an extreme example (as we did in Order No. 2192 to make the staff's point about ambiguity of our own existing regulation) we would ask whether an "older person" of, say, seven years of age would be "capable of carrying the child in his arms." Maybe. Maybe not. It would be a judgment call administered on-site by the driver who must compute the fare, and after-the-fact by the administrative agency upon complaint of the passenger. We would not relish the notion of determining whether one child could carry another in his arms, to say nothing of the administrative burden of arranging such a test. While determining the age of the individuals involved could also be an administrative burden, it is a matter already at issue under any of the existing or proposed regulations. We prefer to make a reasonable assumption "up front" that a person of at least 16 is able to maintain reasonable physical control of a person under six.

Lastly, concerning this issue, we note that the staff's proposal refers to children "under six (6) years of age" whereas the D. C. regulation refers to children "five years of age or younger." Because both phrases have the same meaning, we see no reason for disparate language. Accordingly, we shall adopt the description already in use in the D. C. regulation. With this one change, we shall adopt the language proposed by the staff, which comports with the existing D. C. regulation at least as to the age of the child(ren) to be transported without charge and that more than one such child may be transported without charge. The new language will be adopted for all interstate taxicab trips within the Metropolitan District.

In Order No. 1982, served April 19, 1979, the Commission restated its philosophy of taxicab ratemaking. The discussion was repeated in Order No. 2067, served December 6, 1979, which last adjusted interstate rates for D. C. taxicabs, and we believe it can be appropriately repeated here:

The Commission has never believed it should lead the way in setting taxicab rates. Each of the local rate setting jurisdictions is especially familiar with the requirements of both the users



and providers of taxicab service in the local market. Each carefully establishes its rates through appropriate proceedings. Where practicable, the Commission simply adopts these local rates as the interstate rates. This practice has been followed since our Order No. 67, served October 9, 1961. [Footnote omitted.]

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We further believe that the essential element in our determination of the appropriate rate structure should be comparability with prevailing local rates. We believe that revenues and expenses are given adequate consideration at the local level by authorities more acutely in tune with sub-regional conditions and requirements. From a regulatory point of view, an effort should be made to neither unduly restrain nor enhance the rate scheme which the local jurisdiction has determined to be appropriate. In addition, the Compact requires the establishment of fares which are just, reasonable, and not unduly preferential or unduly discriminatory either between riders or sections of the Metropolitan District. Therefore, we shall prescribe interstate rates for District of Columbia taxicabs on a mileage basis in an effort to establish fares which will be comparable to the local and interstate fare[s] resulting from rates prescribed by the local jurisdictions.

Based upon all the foregoing considerations, we find that the current interstate taxicab rates for taxicabs licensed and regulated by the District of Columbia are neither appropriate nor comparable to such rates for taxicab service in other local jurisdictions. We further find that the rates set forth in the Appendix to this order are just, reasonable, appropriate and comparable, and such rates are hereby promulgated to be effective on the date specified below.

**THEREFORE, IT IS ORDERED:**

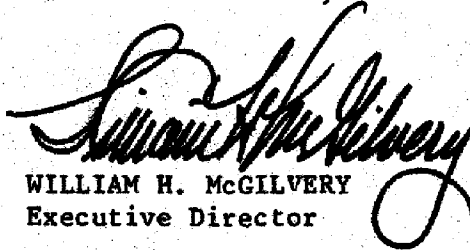
1. That the investigation instituted by Order No. 2192, served January 30, 1981, is hereby concluded.

2. That the rates for interstate taxicab transportation between points within the Metropolitan District for taxicabs licensed and regulated by the District of Columbia are hereby prescribed as set forth in the Appendix to this order.

3. That the extra-passenger charge, including the provision governing transportation of small children, is hereby prescribed to apply to all interstate taxicab service within the Metropolitan District as set forth in the Appendix to this order.

4. That the rates prescribed herein shall become effective 4 a.m., Monday, April 20, 1981.

BY DIRECTION OF THE COMMISSION, COMMISSIONERS CLEMENT, SCHIFTER AND SHANNON:



WILLIAM H. MCGILVERY  
Executive Director

INTERSTATE TAXICAB RATES  
FOR TAXICAB SERVICE WITHIN THE  
WASHINGTON METROPOLITAN AREA TRANSIT DISTRICT  
(in taxicabs licensed and regulated by the  
District of Columbia Public Service Commission)

- \$1.50 First mile or part thereof
- .45 Each additional 1/2 mile, or part thereof
- .75 Each additional passenger in a pre-formed party  
(provided, however, that one child five (5)  
years of age or younger shall be transported  
without charge for each individual of at least  
sixteen (16) years of age in a pre-formed  
party.) a/

Hand baggage, including large bags of groceries or articles of similar size, in excess of one piece per passenger shall be charged for at the rate of 15¢ for each such piece. Briefcases and parcels of comparable size shall not be considered as hand baggage.

Trunks or similar large articles shall be charged for at the rate of \$1.25 each. A trunk is herein described as a piece of baggage having a minimum dimension or cubic content in excess of 32 inches by 18 inches by 9 inches or 3 cubic feet.

The charge for personal service shall be 65¢; taxicab service in response to a telephone call, 65¢ in addition to all other authorized charges; dismissal of a taxicab without using it after response to a telephone call, 65¢ in addition to the charge for responding; waiting time, b/ 75¢ for each 5 minutes or fraction thereof.

The charge for a taxicab employed on an hourly basis shall be as follows: for the first hour or fraction thereof -- \$9;  
for each additional 15 minutes or fraction thereof -- \$2.25.

There shall be no additional charge for service during traffic rush hours or snow emergency periods.

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a/ This method of charging for extra passengers shall apply to all interstate taxicab service within the Metropolitan District.

b/ Waiting time shall include time consumed while taxicab is waiting and available to the passenger beginning 5 minutes after the time of arrival at the place to which it has been called. No charge shall be made for premature response to a call.